

# **Combined Trip Report and Technical Report:**

Mission to Introduce Streamlined Customs Clearance at the

Resano Garcia – Lebombo Border Between Mozambique and South Africa

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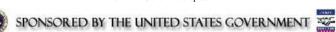
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#### **EXECUTIVE SUMMARY**

#### Introduction

Task 3 of the Hub Work Plan, "Facilitate Customs Reform and Capacity Building in MMTZ and SACU countries", has the objective of reducing transit times and costs for processing documentation at border posts. This task includes a subtask to streamline Customs clearance at the Mozambique Resano Garcia border post, which is the main gateway for road traffic to and from South Africa and other neighbouring countries. The subtask had been included in the work plan following a request of the USAID mission in Mozambique for Hub expertise to address the problems of delay and congestion at this particular border, which are serious obstacles to the external trade of Mozambique.

Theo Lyimo, Customs Reform Advisor, visited Mozambique from the 25<sup>th</sup> of April to the 8<sup>th</sup> May to carry out the task. The assignment started with a briefing session with Dr. Dos Santos, Director General of Mozambique Customs. Dr. Dos Santos made the following observations for the guidance of the consultant:

- Facilitation at the border would increase the attractive ness of the port of Maputo as an alternative to the port of Durban.
- There were plans to construct a Dry Port at Resano Garcia a long-term solution to the problems that the border was currently facing.
- Facilitation at Resano Garcia could include carrying out joint controls with South African Customs.

In the light of these observations he wished the consultant to pay special attention to transit traffic.

Dr. Dos Santos also observed that there was very little revenue collected on goods cleared for home use at the border - those of a value not exceeding USD 500 - and attributed this possibly to smuggling. He also observed that "e very Customs officer wants to work at the border" possibly for personal gain.

Following the briefing with Dr. Dos Santos, the consultant held a briefing session with Tim Born, Team Leader, Private Sector Enabling Environment, in the USAID Mission in Mozambique. Tim pointed out that Customs clearance at the road terminal (TIRO) at Matola, where commercial imports by road are cleared, was also dreadfully slow, but agreed that the consultant should focus on the priorities that Dr. Dos Santos had identified.

# Methodology of Work

The consultant spent a number of days at Resano Garcia studying the Customs clearance procedures and documentation, witnessing clearance of goods and interviewing Customs officials, truckers, owners of small motor vehicles, passengers and clearing agents. He also visited Lebombo and Komatipoort on the South African side, and the border post of Namaacha on the border with Swaziland.

At the request of the Customs administration, the consultant presented his preliminary findings and recommendations at a workshop of managers and heads of stations in Maputo and Southern regions. The presentation was well received but there was no time to discuss the findings and recommendations. These will be presented formally to Dr. Dos Santos and his directors so that they can consider them for possible implementation.

## **Summary of Issues and Recommendations**

Resano Garcia is mainly a transit Customs office. Only goods of a value of less that USD 500 are cleared for home use there using simplified documentation. Goods of a value exceeding USD 500 are declared on a simplified document and transported under Customs control to TIRO. Goods in transit for export through the port of Maputo (TIMAR) are similarly documented and transported under Customs control to the port.

Despite the simplified documentation and procedures, the border post is often congested and the clearance of a truck can take as long as three hours depending on the volume of traffic at the time of clearance. This state of affairs is blamed on, inter alia, insufficient opening hours, inadequate space for processing tucks, unrestricted access to the border as a Customs controlled area, and limited office facilities. There are plans to construct a Dry Port at Resano Garcia which the authorities see as a permanent solution to these problems. Although it was said that construction of the Dry Port would start this year, the consultant's view is that it may take up three years before it is commissioned. In the light of these circumstances, there is need for short term solutions to these problems.

The following is a summary of recommendations for the consideration of the Customs administration:

Revenue security of goods consigned to TIRO and TIMAR

- Locate an Intelligence officer and the intelligence database at the border to facilitate risk assessment.
- Make use of the FAST (Flexible Anti-smuggling teams) to monitor movement of goods until they reach TIRO or TIMAR.
- The FAST should be working in collaboration with the Customs border office.

2. Business hours

- Extend working hours for commercial traffic so that clearance at the border starts at 6 a.m. instead of 8 a.m.
- Make arrangements to allow 24-hour service for exporters of fresh fruit during June to August. They are prepared to pay for the services.
- -Consider extending opening hours at the port from 3.30 p.m. to 5.30 p.m. to align Customs business hours with those of other operators at the port.
- -Consider having a skeleton staff at the port on Saturday mornings to provide free service to any operator who might need it.

3. Inadequate space for processing trucks at the border

- Until the proposed Dry Port is in operation, use K4 to clear trucks all of the time and not only during the Christmas and Easter seasons.

	Take up the offer of empty containers from MIPS and from Fresh Produce Handling company at the port and use the same to extend office accommodation at K4.  Install a shed or a sun visor for inspecting vehicles and a bench for examining goods.
Unrestricted Access and use of unauthorized entry points	- Agree with police that both authorities should assume responsibility for patrolling the border area.
	- Customs officials should take action when Border Guards do not take action against villagers crossing at unauthorized points or throwing goods over the fence to the Mozambican side.
	- Consider the long term solution to have a Preventive Service in the administration.
5. Limited office facilities	- Place an empty container at K4 for use as a Customs warehouse to ease crowding of the Customs office at the border.
	- Secure premises at the port to use as a Customs warehouse for storing unentered goods pending their auction.
	- Secure funds for repairing facilities that are not working and embrace a maintenance culture in the administration.
	- Remove unentered goods from MIPS premises within the statutory period of 21 days.
6. Collaboration in fighting smuggling	Design a scheme that will attract the support of villagers and registered village informal traders.
7. Enhancing integrity and fighting corruption	Be guided by the WCO Arusha Declaration and continue implementing the measures contained in the SADC Statement on Integrity and the Integrity Action plan.

### MAIN REPORT

### 1. CLEARANCE AT RESANO GARCIA

1. The border post of Resano Garcia is right on the border between Mozambique and South Africa, 90 kms from Maputo. The border post is flanked by the village of Resano Garcia from which it derives its name. Four kilometers from the border post, on the highway to Maputo, is a facility - simply called Kilometer Four (K4) – which is used for clearing trucks during the Christmas and Easter seasons when traffic from South Africa reaches peak levels. On the South African side is the border post of Lebombo, which is about 495 kms from Pretoria and about 550 from Johannesburg. The Lebombo border post does not process clearance of goods, but only ensures that all exportation formalities have been carried out. The clearance of exports is carried out at Komatipoort, four kilometers further inside South Africa.

### **Inward Traffic**

- 2. Every inward motor vehicle is given a gate pass. If the owner of a private motor vehicle or accompanying passenger has nothing to declare, it takes between 20 and 40 minutes to complete entry border formalities (both Customs and Immigration). The exact time will depend on the volume of traffic at any given time.
- 3. Inward-bound goods passing through Resano Garcia fall into three clearance categories. The first category is goods for home use the value of which is less than USD 500. These are normally personal importations and passenger-accompanying commercial consignments, and are entered for home use at the border.
- 4. The second category is goods for home use the value of which exceeds USD 500. These are not entered for home use at the border, but are transported under Customs control to TIRO about 80 kilometers from Resano Garcia.
- 5. The third category is goods in transit to destinations outside Mozambique through the port of Maputo. The goods are transported under Customs control to the transit terminal in the port of Maputo (TIMAR).
- 6. The procedure for clearing low value consignments is very simple. The importer makes a declaration on a simplified Customs declaration (Documento Unico Simplificado) and pays the import duty due, plus stamp duty and a charge for the forms (respectively MTS 20,000and MTS 5,000 making a total of MTS 25,000 about one US Dollar). The goods are examined by the Customs and released for home use if the Customs are satisfied with the authenticity of the declaration. The time it takes to clear low value consignments depends on the volume of traffic at the time of clearance, but the maximum witnessed by the consultant was one hour.
- 7. For consignments of a value exceeding USD 500, a simple Customs document (Memorandum) is completed by the Customs with de tails of the truck and the goods it is said to be carrying. The Customs office at Resano Garcia sends by radio a request for risk assessment of the consignment to the Intelligence Office in Maputo. For this purpose the request includes details of the truck, importer and exporter. The intelligence office goes through their database to ascertain whether the truck or importer or exporter have in the

past been involved in any Customs offence. If they are not blacklisted, the truck is sealed, and allowed to proceed under Customs control to TIRO. If they are not known, or have a bad record, the truck is opened for sighting of the declared goods and then sealed. Depending on the nature of the goods, the truck may be escorted by a Customs official to TIRO. This is done to ensure that the truck proceeds directly to TIRO and does not discharge its cargo on the way.

- 8. The process for clearing goods in transit is the same as that for goods to be consigned to TIRO. It takes between one and three hours to clear such goods depending on the volume of traffic at the border post at the particular time. It takes the maximum time to clear goods at pick traffic hours.
- 9. In TIMAR the documentation and procedures for outward transit are also very simple. The clearing agent submits a request to store in a transit shed goods brought in by trucks until a complete bill of lading consignment is assembled. The request is only a formality for it is never refused. An export Bill of entry may be prepared and processed by the Customs before the ship arrives. Once the ship arrives the goods are loaded and exported.

### **Outward Traffic**

- 10. Outward bound transit traffic passing through the border would be that arriving by sea at the port of Maputo and declared for transit to South Africa or any other country through Resano Garcia. For the port of Maputo this is inward transit. There is very little volume of such traffic. For example, during the month of April there was only one consignment of flour, from the United States bound for Swaziland. For such traffic, the Document Unico is prepared together with a form called Model 14, which is used in place of the Memorandum, to cover the transport of the goods under Customs control to the border of exit.
- 11. Since there is very little inward traffic at the port of Maputo, the Customs clearance process can take less than one hour.
- 12. Outward traffic passing through Resano Garcia included a large number of empty trucks returning to South Africa after delivering goods at TIRO. For loaded trucks, the role of the Customs is to ensure that goods are exported in accordance with the export declaration, a copy of which is presented at the border Customs office.
- 13. Outward-bound traffic can take between 30 and 60 minutes to go through Customs. Again, the exact time will depend on the volume of traffic at the particular time. For example on Friday afternoons and Saturdays, outward clearance can take up to one hour because the Customs and Immigration offices are crowded with people going shopping in South Africa.

### 2. FINDINGS AND RECOMMENDATIONS

14. Resano Garcia is largely a transit border post since only a small portion of imports coming through the border are cleared there – those of a value of less than USD 500. As a transit point the main task of the border post is to ensure that goods consigned to TIRO and to the port are not illicitly diverted into home use. The procedures and documentation designed for this purpose are very simple and transparent. Documents are streamlined and based on

the UN Layout Key, and the number of documents and copies to be completed is the minimum possible. The forms are easy to complete without assistance from clearing agents. The flow of documents is easy to follow and involves only a few steps. Customs officials pointed out that sometimes there are delays in getting clearance from Intelligence in regional headquarters, otherwise delays at the border cannot be blamed on the procedures and documentation.

- 15. In the circumstances, the consultant broadened his search for causes of the congestion and delays at the border post. In addition to delays in obtaining clearance from Intelligence, there are other causes, which include insufficient opening hours, inadequate space for processing tucks, unrestricted access to the border as a Customs controlled area, and limited office facilities. The authorities in Mozambique are aware of these constraints, but they see construction of a Dry Port at the border as the solution. According to Dr. Dos Santos, the Dry Port will have adequate space with modern facilities, and will reduce the distance for delivering goods in Mozambique by 90 kms since trucks bringing in goods will no longer have to go to TIRO and TIMAR. Dr. Dos Santos also said construction of the Dry Port will start this year.
- 16. In the consultant's view, it might take up to three years for the proposed Dry Port to be commissioned. Whether it will be located at K4 or at the railway station, it will be necessary to construct a side road or a fly-over to by-pass the present border post. The facility is expected to be much larger than TIRO and with adequate facilities for handling goods for home use and for transit: transit sheds for storing goods pending their clearance for home use, examination bays, facilities for unloading and loading trucks, and office facilities. The consultant therefore felt that in the meantime there was need for short-term solutions to the identified constraints discussed in the following paragraphs.

# **Security of Goods to TIRO and TIMAR**

- 17. As mentioned above, the Customs office at Resano Garcia sends by radio a request for risk assessment before they can release a truck to proceed to TIRO or TIMAR. If the Intelligence office does not have previous records of the importers or the carrier, or the importer has a bad record, the truck may be escorted by a Customs official to TIRO. This is done to ensure that the truck proceeds directly and does not discharge its cargo on the way. Sometimes it takes a long time for a response to come from regional headquarters, and this delays the release of trucks.
- 18. It is recommended that the Intelligent Unit have their person and database at Resano Garcia. The person will be able to provide clearance faster and also to update the database more easily.
- 19. Furthermore, rather than involve Intelligence in the clearance routine of almost every truck to TIRO and TIMAR, the task of monitoring the movement of such trucks could be given to the FAST (Flexible Anti-Smuggling Teams) which patrol the highway to Maputo. By positioning their vehicles on key points on the highway and using radio to relay the movement of trucks from one point to another, they can easily see to it that trucks reach their destination in a prescribed time. The Customs administrations of Kenya, Uganda and Tanzania use this patrolling system to monitor the movement of trucks over distances close to a thousand kilometers.

20. At present there is no communication between the border station and the FAST while the two could work in collaboration. The impression one gets is that the FAST oversees the releases of the border post by conducting surprise stops of vehicles and going through documents endorsed by the border office. Whatever they are doing, they can work in collaboration with the border office.

### **Business Hours**

- 21. The Customs offices on both sides have harmonized working hours. The border opens at 6 am and closes at 10 p.m. for non-commercial traffic and from 8 a.m. to 6 p.m. for commercial traffic. The late opening for trucks results in congestion and delays especially in the morning when up to 20 trucks from South Africa can arrive within a very short time between them. This happens because at Komatipoort trucks start queuing as early as 5 a.m., and it takes up to three hours to clear the queue. This means that trucks entering Mozambique during the morning peak hour may stay at the border for as long as three hours
- 22. Starting the clearance of commercial traffic at 6 a.m. could reduce waiting time at peak hours by two hours. This would be a significant improvement, but the company handling fresh fruit from South Africa pointed out that during peak season, which is from June to August, they need 24 hours service at the border. During this time up to 50 trucks of fresh fruit a day cross the border from South Africa, and if the border were open 24 hours, trucks from South Africa could make two trips a day and thus reduce significantly waiting time for the exporting vessel at the port.
- 23. The Customs officials on both sides pointed out that their head offices were already considering the problem. It was not easy to resolve since it involved consultations among all the border authorities on both sides, and each authority had to review its staff compliment for the border, the number of shifts, and the number of persons per shift. There were also related problems, like staff housing, which would take long to resolve.

## **Inadequate Space for Processing Trucks**

- 24. The area of the border post is certainly too small for the amount of traffic it handles. The table below gives an idea of business going on at this border, which is the busiest in Mozambique. It is often congested and at times without order in the flow of outward and inward traffic especially at peak hours, in the morning before 11 a.m. and in the afternoon at between 2 and 4 pm. The queue for inward traffic can extend back into South Africa preventing traffic from exiting Lebombo. Trucks and small motor vehicles surrounding the office buildings cause traffic jams and their exhaust emissions are a health hazards to officials who have to breathe in fuel fumes and dust all daylong.
- 25. The place has no examination bay where vehicles can park to have their contents sighted or offloaded for examination. Examination is done in the open with spectators surrounding the vehicle. Examination or verification officers are expected to brave rain and sun, no matter how strong, but it is most likely that on rainy days relatively few vehicles are examined.

**Key Statistics for Resano Garcia** 

<b>Data Element Description</b>	Daily	April	Year 2004
1. Number of vehicle-gate passes	700	24,518	
2. Passengers - Inward		35,570	
- Outward		32,872	
3. Consignments to port		890	
4. Consignments to TIRO		2,046	
5. Declarations – Value below \$ 500		3,182	
6. Revenue		MTS 8,727,836,600 (\$ 363,660)	MTS 119,760,000,000 (\$4,990,000)
7. Number of Seizures		47	
8. Detention pending formalities		34	
9. Common goods in outward transit			Ferro chrome, Sugar, citrus
10. Number of staff	50		

26. It is recommended that, until the proposed Dry Port is commissioned, K4 be used for clearance of trucks all the time and not only during Christmas and Easter. Empty containers could be converted for use as offices to expand office accommodation at K4. Two companies at the port indicated that if approached they would donate a number of containers to the Customs administration.

## **Unrestricted Access and Use of Unauthorized Entry Points**

- 27. As a Customs controlled area the border post is too open to public access. Many local people seemingly bound for South Africa or from South Africa hang around without any apparent reason. This creates a very informal atmosphere, which is conducive neither to efficiency nor integrity of official business.
- 28. The officer in charge of Customs explained that the premises belong to Immigration and that the responsibility for controlling and for patrolling the area rests with the Border Guards who are part of the Police force under the ministry of internal affairs. There is rivalry between the Customs and the Border Guards with the result that there is no collaboration between them.
- 29. It is recommended that in the short term the heads of Customs and Police reach agreement that both authorities have authority for controlling access to the premises. Customs are entitled to do so under the Customs and revenue laws. Customs would therefore be protecting the revenue interests while the Border Guards would be minding immigration and other border interests. In the long term, the government should consider incorporating a preventive service in the structure of the Customs. In a number of countries it is the Customs Preventive Service (the uniformed officials) that is responsible for patrolling borders, passengers, etc.

### **Limited Office Facilities**

30. Another constraint affecting the efficiency of Resano Garcia is limited office accommodation. The officer in charge shares a tiny office with officers in charge of shifts, and often the office is tightly packed with seized goods or goods deposited pending the completion of importation formalities. The general office where documents are processed is equally crowded, and it is apparently used as an office and a warehouse. Access to the general office is also fairly open. It is difficult for officers to concentrate on their work since the office lacks a formal atmosphere, which is essential for efficiency.

- 31. The border post needs a warehouse for storing seized or detained goods as well as documents. It is recommended that in the short term two containers are situated at K4 and used for storage. As mentioned above, the companies at the port will provide containers gratis if approached.
- 32. The consultant also noted that a number of facilities are in a state of disrepair. These include the communication radio, the power generator at K4, and the water pump at the staff quarters. Needless to say, if repairs are carried out in time the administration will be spared the higher cost of replacement which would increase unnecessarily the cost of collecting revenue.

### 3. CUSTOMS CLEARANCE AND FACILITIES AT THE PORT

- 33. The Customs does not have the problems of inadequate space and facilities at the port. The companies handling major products for export, like sugar and fresh fruit, have their own terminals and the port authority has warehouses for storing mixed goods pending their clearance for exportation, transit or home use. Companies operating in the port were full of praise for the Customs. They observed that the performance of the Customs had improved a great deal in the last two years, and there was very good collaboration between the Customs and private sector operators. They mentioned a few problems that require the attention of Customs management.
- 34. The Maputo International Port Services (MIPS), which operates the container terminal, pointed to the need for the Customs to have their own Customs warehouse instead of using MIPS' space. They pointed out that imported goods for which bills of entry are not submitted to the Customs within 21 days are not removed by the Customs as required by the law. Furthermore, the Customs eventually auctions only the more valuable goods and leaves the rest in MIPS premises, thus turning the place into a warehouse for worthless junk.
- 35. Customs need to have their own warehouse where they can store un-entered goods for as long as they wish before auctioning them.
- 36. The need to extend Customs working hours was also expressed at the port where the Customs office closes at 3.30 p.m. and does not open on Saturdays (these are the normal business hours for all Customs offices other than border posts). It was suggested that Customs should extend their business hours to 5.30 p.m., like all other service providers in the port. On Saturdays Customs should also provide services in the morning without charging a fee.
- 37. It was pointed out that the inability of the Customs to make a fast decision on border-line cases often results in delays that are costly to port users. Two instances were mentioned: it often takes a long time for the Customs to decide whether duty is payable on goods consigned to charitable organizations. By the time a decision is made, the storage charges are so high that the consignee is unable to pay them and take delivery of the goods. The Customs should make quick decisions, and pending a decision the goods should be moved to a Customs warehouse.

38. Another example that was given concerned treatment of oranges that are not of export quality. Oranges being exported through the port of Maputo are inspected at the port to determine their export quality. The Customs have not made a permanent decision whether oranges that do not qualify for export should be sent back to the country of exportation or be sold in the domestic market. If they have to be returned, the Customs need to design clear and simple procedures to be followed.

### 4. COLLABORATION WITH SOUTH AFRICA

- 39. There is very good collaboration between the Customs administrations of Mozambique and South Africa. Mozambique Customs has three officers stationed at Komatipoort to extract from South African export entries values of goods being exported to Mozambique. The officials do not contact those presenting the entries or truckers. Their communication is only with South African Customs officials. The information includes details of the truck and value declared to South African Customs.
- 40. Customs officials at the two border offices hold regular meetings to address issues of common concern.
- 41. The two administrations could consider introducing joint controls but one major problem is luck of facilities on the Mozambican side. As mentioned above, there is not enough office accommodation even for Mozambican officials. Another problem is the asymmetry in the flow of trade between the two countries. The volume of goods from South Africa to Mozambique exceeds that going to the opposite direction. Clearance of Mozambique bound traffic at Komatipoort would therefore require a lot of additional resources at Komatipoort, and it might be difficult to justify this on the basis of mutual benefit. On the other hand, it would not be logical to carry out South African export formalities on the Mozambican side since the objectives of controlling exports cannot be achieved when the goods have been exported. Furthermore, little of Mozambican exports would be subjected to Mozambican export controls on the South African side since Mozambique exports very little to South Africa.
- 42. What would be more worthwhile is use of a single administrative document for the two countries that could serve as an export bill of entry for South Africa and an import bill of entry for Mozambique. However, consideration will have to be given to a number of policy and technical issues before the two Customs administrations can agree to introduce such a document.

### 5. THE PROBLEM OF SMUGGLING

43. As mentioned above, the Director General of Customs is concerned that the border posts are not collecting the amount of revenue that they could collect and suspects that there is much smuggling going on. The Director General is right about smuggling at the border. Villagers carrying cooking oil, eggs, and other goods from South Africa were seen throughout the day crossing into Mozambique through openings in the border fence. Surprisingly, the authorities have not bothered to block the rat-holes through the fence, and people crossing at unauthorized points are not pursued by Customs. Customs officials said they could not intervene because the responsibility to patrol the border rests with the Border Guards. No one knows why the Border Guards do not intervene, but it is suspected that there are personal gains at stake.

- 44. As explained earlier, there is no cooperation between the Customs and the Border Guards. However, the separation of responsibilities should not be stretched too far. Any lawabiding citizen has a duty to prevent a breach of the law where he is in a position to do so. There is no excuse for Customs not to close the holes in the fence and even to pursue villagers crossing into Mozambique through unauthorized routes. It is unlikely that a Customs officer would be breaching the law if he were to intervene in the interests of protecting government revenue!
- 45. At the Namaacha Lomohasha border between Mozambique and Swaziland, villagers carrying goods from Swaziland enter the no-man's land and then cross into Mozambique through holes in the fence, or throw the consignment over the fence into Mozambique. This is done all the time without the intervention of the Customs or Border Guards. The reason given is that neither authority can intervene in the no-man's land; it is not Mozambique. Again, it is doubtful that Customs intervention in the no-man's land to protect the revenue interests of Mozambique would result in legal sanctions against a Customs officer. The Customs should be guided by the maxim that it is justifiable to break the law in order to serve interests greater than those that the law purports to protect.
- 46. The more likely reason for the apathy of both the Customs and the Border Guards is sympathy and compassion for the smugglers. There is a feeling that these are fellow villagers whose only means of survival is informal trade across the border. How can you harass them and still face them later in the village?
- 47. The problem is that formal traders might be using villagers as porters to carry goods across the border to some storage facility from where the goods enter formal trade. However, it must be admitted that it is very difficult to find a solution which would take account of the special needs of villagers and informal traders on the one hand and the interests of government revenue on the other. At Namaacha a system of allowing villagers to go for shopping in Swaziland and bring back duty free goods of a limited value did not succeeded and has been abandoned. The only concession for villagers now is that they do not need a passport to cross to the other side.
- 48. What might receive more support from villagers and informal traders is a scheme involving them in the fight against smuggling. Village informal traders would be registered and given identity papers and the exclusive right of trading small quantities of goods across the border. Non-trader villagers would be given a generous duty free allowance based on the quantity of goods imported on their person, e.g. a tin of cooking oil, a basket of tomatoes, etc. In return for these privileges, the villagers and informal traders would be required to desist from crossing the border at unauthorized places and to report on smuggling activities or on unauthorized cross border trade by non villagers. The privileges would be withdrawn of one fails to discharge these obligations. A similar scheme is used with considerable success in efforts to stamp out poaching of game at national parks.
- 49. The more serious form of smuggling, in terms of loss of revenue, is fraud in the forms of non-declaration of goods and under declaration of value. Customs officers at Resano Garcia are very vigilant about these forms of duty evasion. Sealed vehicles that are bound for TIRO and TIMAR are still inspected on the outside to ensure that they are not hiding goods at such places as the cavity between the cab and the body or on the mudguards or

- fuel tank for dropping on the way. Through experience, officers know the places outside the body or container that are most commonly used for concealing goods.
- 50. All vehicles are inspected to sight their contents, and goods said to be of a value of less than USD 500 are fully examined. The statistics for seizure in the table above indicates the success of the anti-smuggling effort at the border. The consultant witnessed the inspection of a van the value of whose contents had been declared as less than USD 500. The contents were seized when they turned out to be mixed goods of a value exceeding USD 15,000.
- 51. The use of the export values declared at Komatipoort is a logical way of verifying values. However, the consultant noted that the data is not delivered at Resano Garcia until at the end of the day. It is not, therefore, available when trucks are cleared inward. It is recommended that a small form be completed for each truck, be stamped and given to the vehicle driver to deliver to Resano Garcia, or the details be faxed to Resano Garcia, so that the data is available at the time of clearance.
- 52. The impression of the consultant is that frequent truckers and small-scale importers are aware that Customs officials at the border are very thorough and good in detecting misdeclarations. This thoroughness has a very strong deterrent effect. As mentioned above, the highway to Maputo is also patrolled by the FAST (Flexible Anti-Smuggling Teams) in police like vehicles. Occasionally FAST stops vehicles to inspect their papers.
- 53. Of course duty evasion can take place easily where there is connivance of a Customs officer for personal gain. This brings us to the subject of integrity, which was another concern of Dr. Dos Santos.

### 6. INTEGRITY OF CUSTOMS OFFICIALS

- 54. The consultant did not try to pursue the question of integrity because it is usually woven into the social fabric. One official correctly observed that corruption is not a problem confined to the Customs. This is tantamount to confirming Dr. Dos Santos' fears but it has a consoling element that corruption is not confined to the Customs.
- 55. The consultant got the impression that although there is corruption and there are anecdotes confirming this it is not rampant, and it is not used to hold importers at ransom. None of the truckers and clearing agents who were interviewed mentioned corruption at the border. Customs officers admit that they are well paid, and one can see that they are proud of their job, they are not disgruntled, and they are professional in outlook; furthermore, the team spirit among them is clearly visible to the outsider. These attributes are not common where there is rampant corruption.
- 56. The recommendations made in this report can help to ameliorate the impact of the conditions that are conducive to corruption. For example, eliminating the possibility of direct contacts between the public and the officers processing entries can reduce corruption drastically, as proved by Customs reforms in Angola. A good working environment and comfortable facilities also improve morale and enhance integrity.
- 57. In fighting corruption, Customs administrations are guided by the Arusha Declaration of the Customs Cooperation Council (now WCO) concerning integrity in Customs. In the

case of SADC Customs administrations, there is also the SADC Statement on Integrity and the SADC integrity action plan which were adopted by heads of Customs meeting in Maputo in March 2001. These instruments detail measures for creating an environment that is not conducive to corruption. Dr. Dos Santos does, therefore, have a very good source of guidance for dealing with corruption.

### 7. CONCLUDING REMARKS

Many years of civil war forced the shippers in the neighboring hinterland of the port of Maputo to choose alternative routes for their exports. During this time the port lost its traditional shippers and most of its facilities became dilapidated. Since the end of the domestic conflicts, a lot of effort has been made to involve private enterprise in the operation of the port, to attract investment and to win back its traditional shippers. The Customs administration should contribute to these efforts by facilitating the entry and exit of road traffic feeding the vessels calling at the port. It is from this perspective that the measures recommended here should be evaluated. Every recommendation is worth implementing if it will show the stakeholders of the port that the Customs administration is contributing, albeit modestly, to this effort.